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Lucent Technologies Inc.
and Alcatel-Lucent, S.A.*

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION**

SANDISK CORPORATION,

Plaintiff,

vs.

LUCENT TECHNOLOGIES INC. and
ALCATEL-LUCENT, S.A.,

Defendants.

) Case No. C 07-03618 JF

) **AFFIDAVIT OF WILLIAM C.**
) **MERCER IN SUPPORT OF**
) **DEFENDANTS' MOTION FOR**
) **DISCOVERY UNDER FED. R. CIV. P.**
) **56(F)**

) Date: November 30, 2007
) Time: 9:00 a.m.
) Courtroom: Courtroom 3, 5th Floor
) Judge: Hon. Jeremy Fogel

AFFIDAVIT OF WILLIAM C. MERCER

William C. Mercer, being sworn, deposes and states:

1. I am an attorney with the law firm of Kirkland & Ellis. I am one of the attorneys who represent Defendants in the above-referenced lawsuit.
2. I am over twenty-one years of age, and I give this affidavit of my own free will based upon my personal knowledge for use in the above-referenced lawsuit.
3. I submit this affidavit in support of Defendants' Opposition to SanDisk's Motion for Summary Judgment, pursuant to Fed. R. Civ. P. 56(f). While other discovery may be needed after the discovery outlined in this Affidavit is completed, I believe that the discovery described in this Affidavit is the minimum necessary to fully respond to SanDisk's pending Motion for Summary Judgment.
4. There has been no discovery in this matter. SanDisk filed its summary-judgment motion some two weeks after Defendants filed their Answer and Counterclaim.
5. Defendants intend to serve document requests seeking information related to at least the following topics
 - Source code for the audio decoding software incorporated in SanDisk's MP3 players;
 - source code for the audio encoding software provided with SanDisk's MP3 players
 - the design, operation, marketing and sales of SanDisk's MP3 players;
 - the methods and operation by which SanDisk's MP3 players store, decode and play back previously encoded audio;
 - the encoding of audio files stored on SanDisk's MP3 players prior to purchase by consumers;
 - whether any of SanDisk's MP3 players have the capability to encode audio files;
 - the compatibility of SanDisk's MP3 players with MP3, AAC, RAX, WMA and secure WMA audio coding formats;
 - the MP3, AAC, RAX, WMA and secure WMA audio coding formats used to encode audio files for storage, decoding and play back on SanDisk's MP3 players;

- the conformance of SanDisk's MP3 players to the MP3 industry standard;
- the use of SanDisk MP3 players;
- the substantial noninfringing uses of SanDisk's MP3 players;
- the use, provision, and incorporation of third-party media software such as Microsoft's Windows Media Player, Napster, Real Networks' Rhapsody, Apples iTunes, and Yahoo! Music Jukebox;
- SanDisk's marketing and product documentation;
- SanDisk's knowledge of the patents-in-suit; and
- SanDisk's knowledge of the encoding processes of third-party encoder software.

6. Defendants intend to serve written discovery on at least the following topics:

- Source code for the audio decoding software incorporated in SanDisk's MP3 players;
- source code for the audio encoding software provided with SanDisk's MP3 players
- the design, operation, marketing and sales of SanDisk's MP3 players;
- the methods and operation by which SanDisk's MP3 players store, decode and play back previously encoded audio;
- the encoding of audio files stored on SanDisk's MP3 players prior to purchase by consumers;
- whether any of SanDisk's MP3 players have the capability to encode audio files;
- the compatibility of SanDisk's MP3 players with MP3, AAC, RAX, WMA and secure WMA audio coding formats
- the MP3, AAC, RAX, WMA and secure WMA audio coding formats used to encode audio files for storage, decoding and play back on SanDisk's MP3 players;
- the conformance of SanDisk's MP3 players to the MP3 industry standard;
- the use of SanDisk MP3 players;
- the substantial noninfringing uses of SanDisk's MP3 players;
- the use, provision, and incorporation of third-party media software such as Microsoft's Windows Media Player, Napster, Real Networks' Rhapsody, Apples iTunes, and Yahoo!

1 Music Jukebox;

- 2 • SanDisk's marketing and product documentation;
- 3 • SanDisk's knowledge of the patents-in-suit; and
- 4 • SanDisk's knowledge of the encoding processes of third-party encoder software.

5 7. Defendants intend to take depositions of the following specific individual, as well as a
6 30(b)(6) deposition on several additional topics, in order to discover specific factual issues
7 that are currently in dispute relating to the infringement of the patents-in-suit by SanDisk's
8 MP3 players.

9 8. Corporate Designees. Plaintiffs will request a 30(b)(6) witness who is properly prepared on,
10 and able to fully testify about, SanDisk's knowledge of at least the following topics:

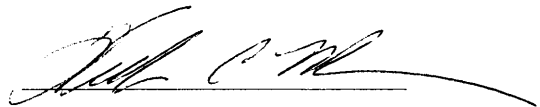
- 11 • Source code for the audio decoding software incorporated in SanDisk's MP3 players;
- 12 • source code for the audio encoding software provided with SanDisk's MP3 players
- 13 • the design, operation, marketing and sales of SanDisk's MP3 players;
- 14 • the methods and operation by which SanDisk's MP3 players store, decode and play back
- 15 previously encoded audio;
- 16 • the encoding of audio files stored on SanDisk's MP3 players prior to purchase by
- 17 consumers;
- 18 • whether any of SanDisk's MP3 players have the capability to encode audio files;
- 19 • the compatibility of SanDisk's MP3 players with MP3, AAC, RAX, WMA and secure
- 20 WMA audio coding formats
- 21 • the MP3, AAC, RAX, WMA and secure WMA audio coding formats used to encode
- 22 audio files for storage, decoding and play back on SanDisk's MP3 players;
- 23 • the conformance of SanDisk's MP3 players to the MP3 industry standard;
- 24 • the use of SanDisk MP3 players;
- 25 • the substantial noninfringing uses of SanDisk's MP3 players;
- 26 • the use, provision, and incorporation of third-party media software such as Microsoft's
- 27 Windows Media Player, Napster, Real Networks' Rhapsody, Apples iTunes, and Yahoo!

1 Music Jukebox;

- 2 • SanDisk's marketing and product documentation;
- 3 • SanDisk's knowledge of the patents-in-suit; and
- 4 • SanDisk's knowledge of the encoding processes of third-party encoder software.

- 5 9. Specific Individuals: Defendants will depose Mr. Eric Bone, SanDisk's Vice President of
- 6 Product Marketing for MP3 player products to explore his knowledge of, and the bases for,
- 7 the factual averments made in his declaration supporting SanDisk's summary-judgment
- 8 motion. In addition, Defendants will depose any other specific individuals identified as
- 9 having information regarding the above topics through deposition, written and document
- 10 discovery.
- 11 10. The discovery sought by Defendants is reasonably expected to produce admissible evidence
- 12 refuting SanDisk's claims that (1) its MP3 players do not directly infringe either of the
- 13 patents-in-suit because they do not meet all of the elements of any claim, (2) it is not liable
- 14 for contributory infringement because its MP3 players are "staple articles of commerce with
- 15 substantial noninfringing uses," and (3) it is not liable for inducement of infringement
- 16 because it did not have the requisite knowledge of the patents-in-suit and an intent to cause
- 17 infringement.

18 FURTHER AFFIANT SAYETH NOT.

19 

20 William C. Mercer

21 Subscribed and sworn to before me

22 this 09 day of November, 2007

23 

24 Notary Public

25 **RITA ELKHOURY**
NOTARY PUBLIC
 My Commission Expires Feb. 28, 2012